

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF GAS COST)	
ADJUSTMENT FILING OF HERITAGE)	
OPERATING L/P D/B/A BRIGHT'S)	CASE NO. 2008-00181
PROPANE SERVICE, INC.)	

O R D E R

On February 15, 1991, in Case No. 1990-00091,¹ the Commission approved rates for Bright's Propane Service, Inc. ("Bright's Propane") and provided for their further adjustment on a quarterly basis in accordance with Bright's Propane's Gas Cost Adjustment ("GCA") clause. On March 5, 2008, Heritage Propane acquired the assets of the former Bright's Propane and adopted Bright's Propane's tariffs.

On May 21, 2008, Bright's Propane filed its proposed GCA to be effective August 1, 2008.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Bright's Propane's notice includes revised rates designed to pass on to its customers its expected change in wholesale propane costs.
2. Bright's Propane's notice sets out an Average Gas Cost ("AGC") component of \$.04463 per cubic foot, which is a decrease of \$.00103 per cubic foot from the previous AGC of \$.04566.

¹ Case No. 1990-00091, Jurisdictional Status of Bright's Propane Service, Inc.'s Propane Distribution System.

3. Bright's Propane's notice sets out a current quarter Actual Adjustment ("AA") of (\$.0009477) per cubic foot. However, Bright's Propane used an incorrect AGC in its calculation. Correcting for this produces a current quarter AA of \$.0020924 per cubic foot. Bright's Propane's notice sets out a total AA of \$.0011083 per cubic foot. Bright's Propane carried forward an incorrect amount for a previous quarter in calculating its total AA. Correcting for this error produces a total AA of \$.0041268 per cubic foot, which is an increase of \$.0019182 per cubic foot from the previous total AA.

4. Bright's Propane's notice sets out no balancing adjustment.

5. Bright's Propane's notice sets out \$.015 per cubic foot to recover overhead operating costs as approved in its tariff.

6. Bright's Propane's GCA is \$.06376 per cubic foot, which is an increase of \$.00089 per cubic foot from the previous rate of \$.06287.

7. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for final meter readings by Bright's Propane on and after August 1, 2008.

IT IS THEREFORE ORDERED that:

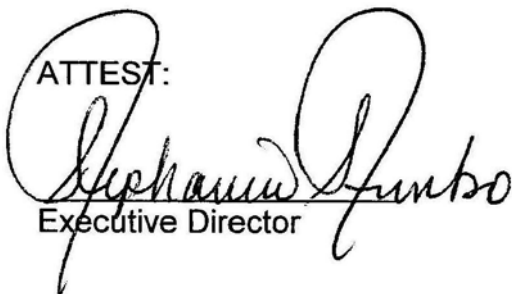
1. The rates in the Appendix, attached hereto and incorporated herein, are approved for final meter readings on and after August 1, 2008.

2. Within 20 days of the date of this Order, Bright's Propane shall file with the Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 23rd day of July, 2008.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00181 DATED JULY 23, 2008

The following rates and charges are prescribed for the customers in the area served by Heritage Operating L/P D/B/A Bright's Propane Service, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

RATES: Monthly

All Propane	\$.06376 per cubic foot
Minimum Bill (First 400 Cubic feet or less)	\$ 25.50